

# PROCLAMATION

BY THE

## Governor of the State of Texas

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TO ALL TO WHOM THESE PRESENTS SHALL COME:

House Bill 1, the General Appropriations Act, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for action. The bill would appropriate an estimated \$117.4 billion from all fund sources, including \$58.2 billion from the General Revenue Fund for the fiscal biennium beginning September 1, 2003. General revenue spending would decrease by \$2.6 billion or 4.3% compared to the current biennium.

This budget accomplishes what we set out to do. We kept the trust by keeping our promises. We told the citizens of Texas that...despite tough economic times...we would not raise the price of government to balance the budget. We delivered on that promise.

This bill meets the basic needs of Texans. Key provisions include:

- \$1.2 billion in new funding for public education, including a new science initiative, the Governor's High School Completion and Success Initiative and the Early Start Initiative to foster strong early childhood learning. More than \$580 million was provided for textbooks and instructional materials.
- \$1.1 billion in new funding for vital health care programs. This budget enhances accountability while maintaining eligibility under the Children's Health Insurance Program at 200 percent of poverty while providing increases for Medicaid acute care coverage, HIV medications and children with special health care needs. An additional \$172 million is also provided to help trauma centers handle more emergency cases.
- Increased funding to the Texas Grant Program to assist in keeping access to higher education open to those students with the drive and determination to succeed in college.
- Funding for research carried out by public universities was significantly increased by allowing universities to retain 100% of their Indirect Cost Recovery for research purposes. Health-related institutions were also appropriated funds to increase their research into biotechnology initiatives.
- Seed money to generate billions in bond funds for the Texas Mobility Fund, an unprecedented commitment to building needed road, rail and public infrastructure projects.
- \$295 million in new funding (appropriated through House Bill 7) for the Texas Enterprise Fund. These funds will assist the state's efforts to attract employers and create new jobs.

This budget also lays the groundwork to ensure Texas has the safe, abundant water supply it needs by moving forward with funding for plans to desalinate ocean water, and provides the funding necessary to bring the state's clean air plan into federal compliance.

The legislature has done a commendable job in reducing the growth of state government, leaving me with little to veto in the state budget. However, as I discussed in my State of the State address, Texans have a need and a right to see and understand how their tax dollars are spent. The Texas state budget should have transparent items of appropriation. Continued reliance on outdated text and excess verbiage makes it more difficult than

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necessary to determine how money is used. I hope that legislative budget writers will work with me to separate administrative items of appropriation from direct service items of appropriation. Increasing the number of specific line items and decreasing lump sum appropriations would add precision and clarity to appropriations text so Texans can see what agencies are doing with our precious financial resources.

My item vetoes total \$68.2 million in general revenue and \$81.2 million from all funding sources. I hereby veto the following items from House Bill 1 and include a statement of my objections to each of those items.

**Article I – General Government**

Aircraft Pooling Board

All items of appropriation

<u>2004</u>	<u>2005</u>
\$3,741,068	\$3,660,494

*This veto action will eliminate the Aircraft Pooling Board. As I said in my State of the State address, this agency underutilizes valuable state assets and is no longer needed. Operations of the Pooling Board can be conducted by outsourcing to commercial carriers and using charter planes. In addition, maintenance functions can be transferred to the Department of Public Safety through budget execution.*

**Article III – Education**

Telecommunications Infrastructure Fund Board

All items of appropriation

<u>2004</u>	<u>2005</u>
\$2,086,025	\$0

*This veto action will eliminate the Telecommunications Infrastructure Fund Board. The agency has not awarded grants since August 2002. Another entity will be needed to close out existing grants, but this will be done by Executive Order.*

Higher Education Coordinating Board

C.1.1 Advanced Research Program

<u>2004</u>	<u>2005</u>
\$9,500,000	UB

*This veto action deletes an appropriation to the Advanced Research Program. The goal of increasing the amount of research which is carried out by the general academic institutions has been met by allowing all institutions to keep 100% of their Indirect Cost Recovery for research purposes and continued funding for the Advanced Technology program at the Higher Education Coordinating Board. Funds would be better used to target research attracting significant matching contributions, to aid economic development efforts or to help community colleges and universities with programs designed to address critical occupational shortages such as those in nursing and the allied health professions.*

Higher Education Coordinating Board

D.1.6 Chiropractic Colleges

<u>2004</u>	<u>2005</u>
\$250,000	\$250,000

*This veto action deletes the FY 2005 appropriation to the Parker Chiropractic College and the Texas Chiropractic College. The funds could be used to support other educational needs for Texans.*

Rider 31. Border Faculty Loan Repayment Program. The Higher Education Coordinating Board may allocate additional funds from Strategy B.1.11., TEXAS Grant Program, to the Border Faculty Loan Repayment Program, ~~and any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.~~

*This veto action deletes a portion of a rider which would allow funds designated for the Texas Grant Program to be used to supplement the appropriation made for the Border*

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*Faculty Loan Repayment Program. The legislature appropriated money for the Border Faculty Loan Repayment Program in Strategy B.1.14. Reducing funding for the Texas Grant program reduces our commitment to keeping higher education affordable for all Texans. By eliminating the unexpended balance authority, allocations from Texas Grant are more reliably determined.*

<u>Texas Excellence Fund</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$10,894,765	\$11,633,294

*This veto action deletes the appropriation to the Texas Excellence Fund. The goal of increasing the amount of research which is carried out by the general academic institutions has been met by allowing all institutions to keep 100% of their Indirect Cost Recovery for research purposes and continued funding for the Advanced Technology program at the Higher Education Coordinating Board. Funds would be better used to target research attracting significant matching contributions, to aid economic development efforts or to help community colleges and universities with programs designed to address critical occupational shortages such as those in nursing and the allied health professions.*

<u>University Research Fund</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$10,894,765	\$11,633,294

*This veto action deletes the appropriation to the University Research Fund. The goal of increasing the amount of research which is carried out by the general academic institutions has been met by allowing all institutions to keep 100% of their Indirect Cost Recovery for research purposes and continued funding for the Advanced Technology program at the Higher Education Coordinating Board. Funds would be better used to target research attracting significant matching contributions, to aid economic development efforts or to help community colleges and universities with programs designed to address critical occupational shortages such as those in nursing and the allied health professions.*

<u>Texas Wildlife Damage Management Service</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$3,278,256	\$3,278,255

*This veto action will eliminate the Texas Wildlife Damage Management Service. This agency provides operational and technical assistance in the abatement of wildlife proliferation and diseases that can be outsourced or handled by another agency. Funds for these services can be provided through budget execution.*

*Had the legislature not lump-sum appropriated funds to this agency and provided the transparency I spoke of in my State of the State address, I could have eliminated only those line items for activities that could be outsourced or coordinated by other state agencies. I will issue an Executive Order to direct other agencies to assist in controlling problem animals on an as needed basis.*

#### **Article V – Public Safety and Criminal Justice**

<u>Criminal Justice Policy Council</u>	<u>2004</u>	<u>2005</u>
All items of appropriation	\$1,251,110	\$1,251,110

*This veto action eliminates the Criminal Justice Policy Council. The duties and functions of this agency can be transferred to other entities by Executive Order. The criminal justice crisis in the early 1990's provided a need for an independent agency to assist public officials in restructuring sentencing policies. However, current functions such as program monitoring and developing projections can be contracted on an as-needed basis or assigned to another agency.*

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**Article VI – Natural Resources**

Texas Council on Environmental Technology

All items of appropriation

<u>2004</u>	<u>2005</u>
\$1,515,149	\$1,547,099

*This veto action eliminates the Texas Council on Environmental Technology (TCET) as a stand-alone agency. This entity serves a valuable and important purpose, but should be operated by the Texas Commission on Environmental Quality (TCEQ). By Executive Order, I will direct TCEQ to absorb the functions of TCET and will seek appropriate funding through budget execution.*

**Article VIII – Regulatory**

Board of Nurse Examiners

A.2.1 Accreditation

<u>2004</u>	<u>2005</u>
\$223,387	\$227,850

*This veto action deletes funding to realize \$451,237 in savings associated with passage of HB 1483, which consolidates the Board of Nurse Examiners and the Board of Vocational Nurse Examiners.*

Research & Oversight Council on

Workers' Compensation

All items of appropriation

<u>2004</u>	<u>2005</u>
\$979,290	\$979,290

*This veto action eliminates the Research and Oversight Council on Workers' Compensation. The research and studies conducted by this agency are not necessary for the Workers' Compensation Commission to carry out its responsibilities and duties. Furthermore, an oversight agency to watch the actions of another agency with commissioners appointed by the Governor and answerable to the legislature is wasteful and unnecessary.*

**Article IX – General Provisions**

~~Sec. 11.55. Contingency for House Bill 3181. Contingent upon enactment of House Bill 3181, House Bill 2292, or similar legislation establishing the Commission for State Health Expenditures, a total of \$2 million in General Revenue Funds for the biennium are hereby transferred from the Department of Health, Strategy E.1.3., Health Care and Outcomes, to the Commission on State Health Expenditures. The Commission on State Health Expenditures is also hereby authorized a total of 25 Full-time Equivalent Positions per fiscal year.~~

*This veto action deletes a contingency rider for a new program that did not pass in any legislation.*

~~Sec. 11.57. Contingency for House Bill 3441. Contingent upon enactment of House Bill 3441 or similar legislation by the Seventy-eighth Legislature, Regular Session, the State Preservation Board is hereby appropriated \$80,000 for the fiscal year beginning September 1, 2003, and \$80,000 for the fiscal year beginning September 1, 2004, out of the GR Dedicated Fund—Capitol Account, in Strategy A.3.1., Manage Enterprises, for operation and maintenance of Capitol Complex parking meters. In addition, the agency's Full Time Equivalent (FTE) cap is hereby increased by 2 for each fiscal year of the biennium.~~

~~In addition, contingent upon passage of House Bill 3441, or similar legislation, the agency is hereby appropriated \$200,000 for the fiscal year beginning September 1, 2003, out of the GR Dedicated Fund—Capital Renewal Account, in Strategy A.1.2, Building Maintenance, to maintain and preserve the Capitol, the General Land Office Building, their contents and their grounds.~~

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~~Any unexpended balances remaining as of August 31, 2004 are hereby appropriated to the agency in fiscal year 2005 for the same purposes.~~

*This veto action deletes a contingency rider for a bill that was vetoed.*

I have signed House Bill No. 1 together with this proclamation stating my objections to individual items of appropriation therein. In accordance with Article IV, Section 14 of the Texas Constitution, individual items of appropriation objected to shall be of no force or effect. The remaining portions of the bill shall be effective according to its terms. Since the Legislature by its adjournment has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 22nd day of June, 2003.

*Rick Perry*  
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RICK PERRY  
Governor of Texas

ATTESTED BY:

*Gwyn Shea*  
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GWYN SHEA  
Secretary of State

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